

AGREEMENT FOR LODGING TAX (CIVIC IMPROVEMENT) FUNDS

THIS AGREEMENT FOR LODGING TAX (CIVIC IMPROVEMENT) FUNDS

("Agreement") is entered into the date written below between the City of Bainbridge Island, a Washington state municipal corporation ("City"), and North Kitsap Tourism Coalition, a Washington corporation ("Recipient").

WHEREAS, the Recipient submitted a proposal for Lodging Tax/Tourism funds ("Civic Improvement Funds") for tourism marketing, and marketing and operations of special events as described in Attachment A ("Scope of Work"); and

WHEREAS, upon recommendation of the Lodging Tax Advisory Committee and approval by the City Council at their December 13, 2016, meeting, the City has awarded this Agreement to effectuate the scope of work, as described in Attachment A; and

WHEREAS, the Recipient has the expertise and experience to arrange for said services and work and is willing to do so in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, conditions, promises, and agreements set forth herein, it is agreed by and between the City and the Recipient as follows:

1. SERVICES AND WORK BY RECIPIENT

The Recipient shall arrange for the services and work as specified in this Agreement and as necessary to accomplish the scope of work attached hereto as Attachment A and incorporated herein by this reference as if set forth in full. The Recipient shall arrange for all services, labor, and related equipment to conduct and complete the work, except as specifically noted otherwise in this Agreement. The Recipient shall execute this Agreement by March 31, 2017, in order to receive funding, and all goods and services specified in this Agreement shall be provided during calendar year 2017. The scope of work set forth in Attachment A shall also include a project budget for the services and work to be performed for the City under this Agreement.

The Recipient, in its activities and promotional materials, shall acknowledge financial support from the City related to the work and services funded by this Agreement.

2. TERM AND TERMINATION OF AGREEMENT

A. This Agreement shall become effective upon execution by both parties and shall continue in full force until December 31, 2017, unless sooner terminated by either party as provided below.

B. This Agreement may be terminated by either party without cause upon thirty (30) days' written notice to the other party. In the event of termination, all finished or unfinished documents, reports, or other material or work of the Recipient pursuant to this Agreement shall be submitted to the City, and the Recipient shall be entitled to just and equitable compensation at the rate set forth in Section 3 for any satisfactory work completed prior to the date of termination.

3. PAYMENT

- A. The City shall pay the Recipient Seven Thousand Five Hundred Dollars (\$7,500) for all services and work performed and all approved expenses incurred for the sole and specific purpose of accomplishing the scope of work, according to the budget provided within Attachment A, in amounts to be billed quarterly.
- B. The Recipient shall submit, in a format acceptable to the City, quarterly invoices for services performed in a previous quarter. Each project shall be the subject of a separate invoice. The Recipient shall maintain time and expense records and provide them to the City upon request.
- C. The City shall pay all invoices by mailing a City check within sixty (60) days of receipt of a proper invoice from the Recipient.
- D. If the services rendered do not meet the requirements of this Agreement, the Recipient shall correct or modify the work to comply with this Agreement. The City may withhold payment for such work until it meets the requirements of this Agreement.

4. REPORT ON EXECUTION OF SERVICES

The Recipient shall submit a report on services and work provided with the final invoice, no later than January 19, 2018. This report should be no longer than five pages, excluding budget detail, and should follow the outline below:

- Summarize the activities undertaken in providing the scope of work described in Attachment A.
- Reference the project objectives specified in Attachment A. Were those objectives achieved? Why or why not? Were there any unexpected positive outcomes or challenges?
- Reference the specific measurable results specified in Attachment A. Were they achieved? If not, what challenges prevented the achievement of the anticipated results?
- Describe involvement of any partners specified in Attachment A, as well as any unexpected cooperative relationships that developed through implementation of the project.
- Reference the project budget specified in the Attachment A. Provide an analysis of actual expenses and income in relation to the projected budget.
- Provide a good faith best-estimate of actual attendance generated by the scope of work in the three categories below:
 - a. Travelers staying overnight in paid accommodations away from their place of residence or business;
 - b. Travelers staying overnight in unpaid accommodations (e.g., with friends and family) and traveling more than 50 miles;

- c. Travelers for the day only and traveling more than 50 miles.
- Describe the methodologies used to arrive at the good faith estimate of actual attendance numbers described above.

5. INSPECTION AND AUDIT

The Recipient shall maintain all books, records, documents, and other evidence pertaining to the costs and expenses allowable under this Agreement in accordance with generally accepted accounting practices. All such books and records required to be maintained by this Agreement shall be subject to inspection and audit by representatives of the City and/or the Washington State Auditor at all reasonable times, and the Recipient shall afford the proper facilities for such inspection and audit. Representatives of the City and/or the Washington State Auditor may copy such books, accounts, and records if necessary to conduct or document an audit. The Recipient shall preserve and make available all such books of account and records for a period of three (3) years after final payment under this Agreement. In the event that any audit or inspection identifies any discrepancy in such financial records, the Recipient shall provide the City with appropriate clarification and/or financial adjustments within thirty (30) calendar days of notification of the discrepancy.

6. INDEPENDENT CONTRACTOR

A. The Recipient and the City understand and expressly agree that the Recipient is an independent contractor in the performance of each and every part of this Agreement. The Recipient expressly represents, warrants, and agrees that its status as an independent contractor in the performance of the work and services required under this Agreement is consistent with and meets the six-part independent contractor test set forth in RCW 51.08.195. The Recipient, as an independent contractor, assumes the entire responsibility for carrying out and accomplishing the services and work required under this Agreement. The Recipient shall make no claim of City employment nor shall the Recipient claim any related employment benefits, social security, and/or retirement benefits.

B. The Recipient shall be solely responsible for paying all taxes, deductions, and assessments, including but not limited to federal income tax, FICA, social security tax, assessments for unemployment and industrial injury, and other deductions from income which may be required by law or assessed against either party as a result of this Agreement. In the event the City is assessed a tax or assessment as a result of this Agreement, the Recipient shall pay the same before it becomes due.

C. The City may, during the term of this Agreement, engage other independent contractors to perform the same or similar work that the Recipient performs hereunder.

D. The Recipient and any subcontractors shall obtain a business license and, if applicable, pay business and occupation taxes pursuant to Title 5 of the Bainbridge Island Municipal Code.

7. DISCRIMINATION AND COMPLIANCE WITH LAWS

A. The Recipient agrees not to discriminate against any employee or applicant for employment or any other person in the performance of this Agreement because of race, creed, color, national origin, marital status, sex, sexual orientation, age, disability, or other circumstance prohibited by federal, state, or local law or ordinance, except for a bona fide occupational qualification.

B. The Recipient shall comply with all federal, state, and local laws and ordinances applicable to the work to be done under this Agreement.

C. Violation of this Section 7 shall be a material breach of this Agreement and grounds for cancellation, termination, or suspension by the City, in whole or in part, and may result in ineligibility for further work for the City.

8. OWNERSHIP OF WORK PRODUCT

All data, materials, reports, memoranda, and other documents developed under this Agreement, whether finished or not, shall become the property of the City and shall be forwarded to the City in hard copy and in digital format that is compatible with the City's computer software programs.

9. GENERAL ADMINISTRATION AND MANAGEMENT

The City Manager of the City, or designee, shall be the City's representative, and shall oversee and approve all services to be performed, coordinate all communications, and review and approve all invoices, under this Agreement.

10. HOLD HARMLESS AND INDEMNIFICATION

A. The Recipient shall defend, indemnify, and hold the City, its officers, employees, and volunteers harmless from any and all claims, injuries, damages, losses, or suits, including attorneys' fees, arising out of or resulting from the acts, errors, or omissions of the Recipient in the performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

B. Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Recipient and the City, its officers, officials, employees, and volunteers, the Recipient's liability, including the duty and cost to defend, hereunder shall be only to the extent of the Recipient's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Recipient's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purposes of this indemnification. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement.

C. The City's inspection or acceptance of any of the Recipient's work when completed shall not be grounds to void, nullify, and/or invalidate any of these covenants of indemnification.

D. Nothing contained in this Agreement shall be construed to create a liability or a right of

indemnification in any third party.

11. INSURANCE

The Recipient shall maintain insurance as follows:

- ☒ Commercial General Liability as described in Attachment B.
- ☒ Directors and Officers Liability as described in Attachment B.
- ☒ Automobile Liability as described in Attachment B.
- ☒ Workers' Compensation as described in Attachment B.
- ☐ None.

12. SUBLETTING OR ASSIGNING CONTRACT

This Agreement, or any interest herein or claim hereunder, shall not be assigned or transferred in whole or in part by the Recipient to any other person or entity without the prior written consent of the City. In the event that such prior written consent to an assignment is granted, then the assignee shall assume all duties, obligations, and liabilities of the Recipient as stated herein.

13. EXTENT OF AGREEMENT/MODIFICATION

This Agreement, together with attachments or addenda, represents the entire and integrated Agreement between the parties and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended, modified, or added to only by written instrument properly signed by both parties.

14. SEVERABILITY

A. If a court of competent jurisdiction holds any part, term, or provision of this Agreement to be illegal or invalid, in whole or in part, the validity of the remaining provisions shall not be affected, and the parties' rights and obligations shall be construed and enforced as if the Agreement did not contain the particular provision held to be invalid.

B. If any provision of this Agreement is in direct conflict with any statutory provision of the State of Washington, that provision which may conflict shall be deemed inoperative and null and void insofar as it may conflict, and shall be deemed modified to conform to such statutory provision.

15. FAIR MEANING

The terms of this Agreement shall be given their fair meaning and shall not be construed in favor of or against either party hereto because of authorship. This Agreement shall be deemed to have been drafted by both of the parties.

16. NON-WAIVER

A waiver by either party hereto of a breach by the other party hereto of any covenant or

condition of this Agreement shall not impair the right of the party not in default to avail itself of any subsequent breach thereof. Leniency, delay, or failure of either party to insist upon strict performance of any agreement, covenant, or condition of this Agreement, or to exercise any right herein given in any one or more instances, shall not be construed as a waiver or relinquishment of any such agreement, covenant, condition or right.

17. NOTICES

Unless stated otherwise herein, all notices and demands shall be in writing and sent or hand-delivered to the parties at their addresses as follows:

To the City:	City of Bainbridge Island 280 Madison Avenue North Bainbridge Island, WA 98110 Attention: City Manager
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To the Recipient:	North Kitsap Tourism Coalition P.O. Box 85 Port Gamble, WA 98346 Attention: Pete Orbea
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or to such addresses as the parties may hereafter designate in writing. Notices and/or demands shall be sent by registered or certified mail, postage prepaid, or hand-delivered. Such notices shall be deemed effective when mailed or hand-delivered at the addresses specified above.

18. SURVIVAL

Any provision of this Agreement which imposes an obligation after termination or expiration of this Agreement shall survive the term or expiration of this Agreement and shall be binding on the parties to this Agreement.

19. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

20. VENUE

The venue for any action to enforce or interpret this Agreement shall lie in the Superior Court of Washington for Kitsap County, Washington.

21. COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of February 8, 2017.

NORTH KITSAP TOURISM COALITION

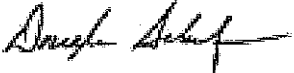
CITY OF BAINBRIDGE ISLAND

By _____

Name Pete Orbea

Title President - NKTC

Tax I.D. 47-2263450

By _____
Douglas Schulze, City Manager

ATTACHMENT A
SCOPE OF WORK

North Kitsap Tourism Alliance
2017 Budget

Revenue	Amount	BI LTAC	
Cash on Hand 1/1/2016	1,600		
BI LTAC	7,500	\$7,500	
Olympic Property Group (OPG)	5,000		
Noo-Kayet/Port Gamble S'klallam Tribe	5,000		
Port Madison Enterprises (PME)	5,000		
Poulsbo LTAC	8,500		
Kingston Stakeholders	500		
app x Port Gamble S'klallam Tribe	2,000		
app x Port Madison Enterprises	2,000		
Total Revenue	\$ 37,100	\$ 7,500	
Expenses			
Contracted Personnel	18,000	\$6,375	Creative design, implementation, managment & maintenance of social media, website, newsletter, marketing plan
Digital Advertising	7,000	\$625	
Facebook Ads	1,500	\$500	
Lodging video	1,000		
Newsletter email program	300		
Search Engine Optimization	2,200		
Website Domain Renewals	300		
Spirits and Spirits Event	2,000		
Printing	1,000		
Board Insurance	800		
Liability Insurance	1,000		
Annual State Corporate Renewal	10		
Attorney fees - corporate	500		
Total Expenses	\$ 35,610	\$ 7,500	
Balance	\$ 1,490		

**CITY OF BAINBRIDGE ISLAND
2016 LODGING/TOURISM FUND PROPOSAL COVER SHEET**

Project Name:

North Kitsap Tourism Coalition Market Plan and Event Implementation

Name of Applicant Organization:

North Kitsap Tourism Coalition

Applicant Organization IRS Chapter 501(c)(3) or 501(c)(6) status and Tax ID Number:

501(c) 6 status obtained August 25, 2015

Tax ID #: 47-2263450

Date of Incorporation as a Washington State Corporation and UBI Number:

September 29, 2014

UBI # 603-439-763

Primary Contact:

Pete Orbea

PO Box 85 Port Gamble, WA 98346

porbea@orminc.com

Day phone: (360) 297-8074 Cell phone: (360) 930-1758

Please indicate the type of project described in your proposal: ☒ Project Type

☒ Tourism marketing

☒ Marketing and operations of special events and festivals designed to attract tourists

☒ Supporting the operations of a tourism-related facility owned or operated by a nonprofit organization*

☒ Supporting the operations and/or capital expenditures of a tourism-related facility owned or operated by a municipality or a public facilities district*

Describe the applicant organization's mission, history and areas of expertise. Describe the applicant's experience in tourism promotion on Bainbridge Island and its demonstrated ability to complete the proposed project.

The North Kitsap Tourism Coalition (NKTC) began as a grass-roots, ad hoc volunteer group of individuals with a passion for the North Kitsap Peninsula and a unified mission to increase tourism in the North Kitsap Peninsula region. We gained non-profit incorporation status within the State of Washington as the North Kitsap Tourism Coalition in August 2014, obtained our Federal Non-Profit 501 (c)(6) status in August 2015 and have quickly grown strong by providing a unique approach of practical marketing tools that help drive revenue.

One of the largest 'untapped' markets for our Peninsula is west Seattle market from Edmonds to SODO. From boomers to millennials, their time is as precious as their money, so being able to offer a true "getaway" without really getting away is very appealing.

Our function is for this group to be able to experience our peninsula digitally, peaking their interest and making it very simple to plan their getaway. From compelling videos, to relevant itineraries...NKTC's content and messaging blends across all social and digital media avenues.

Our website is the platform for partners to present the best of the best about their communities and attractions featuring direct links to partners' sites and offerings. Our social media pages are to engage guests with hot topics and time sensitive events and offers with a sense of urgency. Our email newsletters serve as forums to share information, updates and upcoming events and activities as well as establish dialogue and referral opportunities.

Our Board of Directors/Officers represents all communities in North Kitsap. Our Marketing Committee and Board includes marketing, communication, and PR professionals (see Chart 1 below). We contracted with a creative specialist as Marketing Director to create and implement our marketing plan based on the Brand Graphics Package created by Roger Brooks, an international expert in the field of destination development.

Our website is <http://www.wasanctuaryshore.com/>

Table 1.

NAME	ORG/COMMUNITY	POSITION
Chris Archunde	PME	Director, Marketing
Mike Barnet	Private Contractor	NKTC Marketing Director
Kathi Foresee	Poulsbo	Chair, Viking Fest & Poulsbo July 3
Jack Harrington	Hansville	Retired Marketing Executive
Chris Placentia	PGST	Director, Economic Development
Matt Kelly	Kingston	DMO Marketer
April Leigh	Suquamish Tribe	Director, Communications
Mickey Molnaire	Bainbridge Island	Tourism and Marketing Director, Bainbridge Chamber
Shirley Sax	Kingston	Retired Marketing/Sales Executive
Ginger Vaughn	PGST	Quinn/Brein PR

2. If appropriate, please identify the project partner(s) and briefly describe the involvement of each. Please note the maximum award of \$100,000 will apply to any single project, even if proposed by a team of partners.

We have established and maintain relations with several key groups and organizations to include:

The Bainbridge Island Chamber of Commerce
The Greater Poulsbo Chamber of Commerce
The Greater Kingston Chamber of Commerce
Port Madison Enterprises and Suquamish Indian Tribe
Olympic Property Group/ town of Port Gamble
Noo-Kayet Development Corporation and Port Gamble S'Klallam Tribe
The Poulsbo Marketing Coalition/CoC
Kitsap Pride
Greater Kingston Economic Development Committee/CoC
Bainbridge Island Downtown Association
NW Epic Series
Visit Kitsap

Businesses participating in the Spirits & Spirits Festival, 2015 and 2016:

Bainbridge Island
Best Western Plus
Bainbridge Brewing Co
Treehouse Cafe
Bainbridge Organic Distillers
Fletcher Bay winery
Bainbridge Vineyards
Beach House Bar
Bainbridge Cinemas/Lynwood Theatre
Suzanne Maurice Wine Bar

Kingston
Divine Wine
Kingston Ale House
The Filling Station
Westside Pizza

Port Gamble
Port Gamble General Store
Mrs. Muir
Butcher & Baker Provisions

Port Gamble S'Klallam
The Point Casino
Heronswood

Poulsbo
Slippery Pig Brewery
Valholl Brewing Co

Sound Brewery

Suquamish

Clearwater Casino Resort

The Bainbridge Island CoC Marketing and Tourism Director is our Treasurer and Member of the Board and Marketing Committee.

As mentioned previously, all communities are represented on our Board of Directors and Marketing Committee.

We continue to actively seek out more potential partners.

3. If appropriate, please list each project and the amount of funding awarded and utilized from the Lodging Tax Fund within the last 5 years (2011-2016).

2015 - \$2500

Online Content Management Services complete as of Dec. 2015

Bainbridge Island Tourism Video complete as of Dec. 2015

2016 - \$8,000

Tourism Marketing

Maintain and enhance website including more videos, build email list and develop a following on Facebook

Marketing and operations of special events and festivals designed to attract tourism

Co-sponsored the Stottlemeier 30/60 mountain bike race

Sponsoring & implementing 2nd annual Spirits & Spirits festival

2017 - \$7,500

Tourism Marketing

Maintain and enhance website including videos, build email list and continue to develop a following on Facebook

Marketing and operations of special events and festivals designed to attract tourism

Co-sponsor the Stottlemeier 30/60 mountain bike race

Sponsoring & implementing 3rd annual Spirits & Spirits festival

Sponsorship of Kitsap Water Trails Festival

4. If any projects previously funded through the Lodging Tax Fund were not completed and or if reports were not submitted to the City as requested, please explain.

N/A

Project Information

1. Describe the proposed project.

Our Approach is effective and unique. We drive revenue to North Kitsap by utilizing practical marketing tools. With these funds, we would continue to maximize return on dollars spent by focusing on shoulder season campaigns (as many lodging establishments are at capacity from Memorial Day to Labor Day). In addition, we would continue to partner with existing events and

activities to increase the reach of their marketing efforts during the summer season as well as host independent events.

If granted these funds we would continue to focus our brand, understand our customers, and create products that evoke the emotion, sights, sounds, smells, and feelings of experiencing North Kitsap while preserving the identity of each community. Please review Appendix A for detailed data regarding how our approach has been effective. Listed here is our timeline and objectives which these funds would contribute toward.

Projected Timeline for 2017

Date*	Event Name
Late January and February	Valentines Campaign
March	Itinerary/hotel package campaign(s)
Late May	Viking Fest
May	Stottlemeyer 30/60
June and July	July 4 campaign
Late October	Spirits and Spirits
December	Holiday Campaign
December	Mochi Tsuki
As scheduled	Heronswood Garden Opens
As scheduled	Summer Concert Music Series Campaign

*additional events and videos will be added to the schedule as the opportunity presents itself

Project Objective 1: Implement Shoulder Season Campaigns to increase overnight stays from Labor Day to Memorial Day

As most Bainbridge Island lodging establishments are at capacity during the summer months, increasing overnight stays during the off-season will have the greatest impact on tourism dollars.

Our shoulder season events will include:

1. Actively partnering with established event to increase their marketing reach in order to increase overnight stays and increase participants' awareness of the broader North Kitsap Experience.
2. Creating events and activities during the off-season to increase overnight stays for that event and also to increase general awareness of the North Kitsap experience. An example of this the creation of Spirits and Spirits in 2015. Spirits & Spirits combines the spirit of the Halloween season with some of the area's best brews, wines, and spirits in a week-long event to highlight the very best North Kitsap has to offer. In 2016, NKTC will sponsor the Port Gamble Ghost Conference in conjunction with the second Annual Spirits and Spirits.



As part of our strategy, we will offer hotel packages for these events therefore increasing occupancy and creating a methodology to track supporting data.

Bainbridge Island Lodging Tax support will partially fund marketing activities for the active partnering of established events and for implementation of the new events including marketing activities.

Project Objective 2: Partner with existing events and activities to increase the reach of their marketing efforts during the Summer season.

North Kitsap is replete with festivals, art and cultural events, and outdoor activities during the summer months. We will partner with current event organizers and extend their marketing reach through our website, Facebook, blogs, e-mail list, YouTube channel and super cool videos. Please see Appendix A for data.

Our social media outreach has a Call to Action to interested, excited potential visitors to sign up for the e-newsletter and follow us on social media. We will nurture these contacts with enticing, educating information about North Kitsap. We will also survey them to identify their wants and needs so that we can then define specific “passions”, “sanctuaries” and desired experiences that we will develop into specific package offerings from North Kitsap. Results in 2016 have shown that Facebook is the very effective tool.

Bainbridge Island Lodging Tax support will help fund the creation and distribution of the e-newsletter and the necessary product development to provide targeted packages. We will be tracking the increase in contacts, open rate and clicks to website and hope to increase the number of subscribers by a minimum of 10%.

Your support will fund on-going updating and maintenance of Bainbridge Island information on our website and Search Engine Optimization services to increase our rank through 2016. We continue to measure and analyze website traffic through Google Analytics and other digital tools. In addition, and in conjunction with the Bainbridge Chamber of Commerce, we will be researching metrics to determine its effectiveness in increasing tourist visits and overnight stays on Bainbridge Island.

Bainbridge Lodging Tax support will also help fund the creation videos focusing on the best of the best activities in North Kitsap. The subjects will be determined by the Marketing Team, of which Bainbridge Island is represented by the Marketing and Tourism Director of the BICoC. They will feature Bainbridge Island specifically as appropriate for the activity. The videos will be featured on the website, social media, newsletter and the blog. We will also make the videos on our You Tube channel available to the BICoC, the BIDA and other tourism related groups for use in promoting Bainbridge Island. You Tube and Facebook have excellent analytical tools that will help us understand what is working and focus our dollars in that direction.

Project Objective 3: Continue to grow our email list and social media outreach

Our social media outreach has a Call to Action to interested, excited potential visitors to sign up for the e-newsletter. We will nurture these contacts with enticing, educating information about North Kitsap. We will also survey them to identify their wants and needs so that we can then define specific “passions”, “sanctuaries” and desired experiences that we will develop into specific product offerings from North Kitsap.

Bainbridge Island Lodging Tax support will help fund the creation and distribution of the e-newsletter and the necessary product development to provide targeted products. We will be tracking the increase in contacts, open rate and clicks to website and hope to increase the number of subscribers by a minimum of 4.5%. We aim to reach visitors that are traveling from outside of the state.

The NKTC email list rose from 150 at the end of 2015 to 450 through September 2016. Increases in Facebook Likes were even more dramatic over the same time period – from 200 to 2,097.

Provide a brief narrative to address the stated selection criteria

A. Expected impact on increased tourism in 2017.

Visitors require four hours of activities for every hour of travel time. Therefore, if there are only enough activities to fill one day, visitors will only travel for two hours. This is often the case with the small towns in North Kitsap. By marketing itineraries for “Sanctuaries” and “Pick Your Passion”, we target specific markets and have more to offer. If we have more to offer by marketing the entire North Kitsap Peninsula, visitors will see more value in making the trip and will travel from farther away. Bainbridge Island lodging establishments can now become a base for visitors experiencing not only the many assets of Bainbridge, but also for those visiting the entire North Peninsula.

Roger Brooks estimates that targeted itineraries will also increase visitors by 2-3 times. Itineraries focusing on areas of interest including wineries, breweries, food lovers, quilters, outdoor activities, cultural activities, girl's week-end, boutique shopping, etc. Because they are specific, niche markets they can be targeted making the marketing effort more effective and measurable.

B. Expected impact on overnight stays on the island.

We anticipate a 3.5% increase of overnight stays on the island. Overnight visitors spend 4 times as much as day visitors and are therefore a target worth pursuing. Having more activities not only increases the distance that people are willing to travel, but also increases overnight stays. Itineraries and activities extending beyond a day will also target specific markets and increase overnight stays. Bainbridge Island lodging establishments have become a base for visitors experiencing not only the many assets of the island, but also for those visiting the entire Peninsula. Our off-season Spirits and Spirits event will also increase overnight stays as it grows in popularity.

C. Projected economic impact on Bainbridge Island businesses, facilities, events and amenities, including sales of overnight lodging, meals, tours, gifts, and souvenirs.

We expect a conservative increase of 3.5% of visitors (including day trippers). Washington's Sanctuary Shore focuses on the Best of the Best in each community, including restaurants, entertainment and retail. Although visitors come for the primary activity or anchor tenant, 60% of their spending will be on activities other than the primary reason that they came, according to Roger Brooks. Therefore, all businesses will benefit from the marketing of the Best of the Best.

The Spirits and Spirits event will have a direct effect on the Bainbridge Island establishments that participate.

D. The projected potential to draw visitors in the off season, i.e. October 1 until Memorial Day.

As described in Project Information section, NKTC's number one project objective is to Implement Shoulder Season Campaigns to increase overnight stays from Labor Day to Memorial Day. The potential is high and could be conservatively estimated to be an increase of 5% over last year.

Spirits & Spirits 2015 was the first major North Kitsap-wide event to increase customer traffic to retail businesses and lodging establishments during the off-season. We anticipate 150 overnight stays this year in conjunction with the Port Gamble Paranormal Conference of which 50% will be from greater than 50 miles away. We intend to grow the event yearly and draw visitors from greater distances and increasing numbers each year.

E. The organizations demonstrated history of organizational and project success.

Please see Appendix A.

F. Describe any partnerships with other organizations and businesses in the proposed project – including efforts to minimize duplication of services where appropriate and encourage cooperative marketing.

The very nature of our project and organization is partnership and collaboration. Our website will focus on anchor tenants and events and will link to community websites for detail, therefore reducing redundancy. We also look forward to further developing partnerships on Bainbridge Island.

See page 3 and 4 for a list of our partners.

G. Describe the degree to which the project goals and/or results can be objectively assessed.

As previously discussed, we will be measuring the effectiveness of the online activities as follows:

Primary Goal – 1000 qualified newsletter subscribers

Website – Google Analytics and other detailed digital tools

Email Newsletter – increase in contacts, open rate, clicks to website

Videos – Detailed digital analytics

Increased visitors and duration of stay – research possible metrics and methodology

Increase in Surveys

H. Describe the degree to which the project will leverage award funds with additional matching funds or donated in-kind goods or services.

Funds awarded in 2017 by Bainbridge Island will be leveraged by contributions from the other communities will be leveraged by more than a factor of 4, as they were in 2016.

The NKTC Board and Marketing Committee have contributed more than 400 volunteer hours so far in 2016, and more to come during the Spirits and Spirits Festival this October.

Exhibits

- Appendix A: Data and Analytics
- Appendix B: 2015, 2016 and 2017 Financial Summary

- Exhibit 1: Letter from the Bainbridge Island Chamber of Commerce

Community	Type	Event/Video Name	People Reached	Views-FB	Engagements	Shares	Likes	Website Views	Embeds	TV Homes
All	Post	4th of July - Fun of July Post http://www.wasantuaryshor	5,376		182	20	67	105		
All	Post	Summer Music Series / NK Summer Series Post http://www	6,096		278	26	70	174		
All	Video	Spirits & Spirits promo	446	219				434		
Bainbridge Island	Video	Mochi Tsuki Video (Japanese-American New Year Video)	7,355	5,100		14				
Bainbridge Island	Post	Chilly Hilly Bike Race	446	423		2				
Bainbridge Island	Video	Girls Night Out Video	1,260							
Bainbridge Island	Video	What's Your Sanctuary	14,221	11,153	93	73				
Kingston	Post	Kites Over Kingston	5,252		151	29	73			
Kingston	Video	Things to do in Kingston Wa Video	7088	5,249		47			10	
Kingston	Video	Kola Kole	17,648	6,500				353		
Kingston	Video	What's Your Sanctuary	8,986	5,700	4076	65				
Port Gamble	Post	Fishline Race Post http://poulsborunning.com/events/fish	2,919		111	8		9		
Port Gamble	Video	Ghost Walk Tours	1,131			2				
Port Gamble	Video	Stottlemeyer 30/60	883	194		3				
Poulsbo	Video	Girls Night Out Video	1,260	423		2				
Poulsbo	Video	Viking Fest 2016 Video Ad	11,680	4,100		156	39			
S'Klallam	Post	Heronswood Garden Open Post http://www.wasantuary	4,061		89	37		31		
S'Klallam	Video	Heronswood Garden Video	4,869	2,400		88				
S'Klallam	Post	Stan Purser Powwow Post	2,491			26				
S'Klallam	Video	Stan Purser Powwow Video	2,178	763		24				
Suquamish	Video	Kiana Lodge Brew Fest Video Ad	489	174		2				
Suquamish	Post	Valentines Dinner Post	3,194		131	6				
Totals			109,329	42,398	4,980	572	249	1,106	10	150,000

Appendix B

North Kitsap Tourism Coalition

2015 Budget

2016 Budget

2017 Budget Estimate

		Actual as of				
Revenue	Annual	Revenue	Budget	09/30/16	Revenue	Budget
Cash on Hand 1/1	5,565	Cash on Hand 1/1/2016	1,648	1,648	Cash on Hand 1/1/2017	140
BI LTAC	2,500	BI LTAC	8,000	8,000	BI LTAC	10,000
Olympic Property Group	3,000	Olympic Property Group	5,000	5,000	OPG	5,000
Noo-Kayet/Pt Gamble S'Klallam	4,000	Noo-Kayet/Pt Gamble S'Klallam	5,000	5,000	Noo-Kayet/Pt Gamble S'Klallam	5,000
Port Madison Enterprises	4,000	Port Madison Enterprises	4,000	4,000	PME	4,000
Poulsbo Marketing Group	2,000	Poulsbo LTAC	3,000		Poulsbo LTAC	9,000
Kingston Stakeholders	500	Kingston Stakeholders	500	500	Kingston Stakeholders	1,000
Kitsap County Discretionary	5,000	Poulsbo PMC video	2,000		Poulsbo PMC video	2,000
App x PGST for 2016	2,000	Spirits & Spirits	4,000		App x PGST	2,000
App x PME for 2016	2,000	PME banner contribution	500	500	App x PME	2,000
					Spirits & Spirits	4,000
Total Revenue	26,565	Total Revenue	33,648	24,648	Total Revenue	44,140
Expenses		Expenses			Expenses	
Creative design, implementation, website maintenance, social media, newsletter, marketing plan	11,435	Creative design, implementation, maintenance, eg website, Facebook, newsletter, marketing plan	18,000	13,500	Creative design, implementation, maintenance, eg website, Facebook, newsletter, marketing plan	24,000
Board & pro-rated 3 mo Liability Insurance	1,533	Board & Liability Insurance	1,754	1,754	Board & Liability Insurance	1,800
IRS 501(c)(6) application	850	Digital Advertising	6,900	3,248	Digital Advertising & Videos	10,000
Videos - Communities 1000x5	5,435	Newsletter email program	250	152	Newsletter email program	300
Videos - Sanctuaries 1000x2	2,174	Search Engine Optimization	1,000	383	Search Engine Optimization	1,200
State non-profit corp setup	1,000	Website Domain Renewals	200	149	Website Domain Renewals	300
Travel Writers Conference	300	Spirits and Spirits Event	3,000	1,279	Spirits and Spirits Event	4,000
Attorney fees - corporate	1,190	Stottlemeyer food	500	606	Stottlemeyer food	500
Spirits & Spirits Event	1,000	Printing	500	86	Printing	890
		Annual State Corporate Renewal	10	10	Annual State Corporate Renewal	10
		Attorney fees - corporate	500		Travel Writers Conference	500
		Stottlemeyer banners	894	894	Attorney fees - corporate	500
Total Expenses	24,917	Total Expenses	33,508	22,061	Total Expenses	44,000

Exhibit 1



BOARD OF DIRECTORS

Executive Board:

Kelly Muldrow
Chairman

Linda Lincoln
Chair Elect

Claire Chavanu
Treasurer

Russell Everett
Secretary

Arnie Sturham
Immediate Past Chair

Jeff Waite
Chair Emeritas

Directors:

Matt Albee

Larry Barrett

Rhonda Brown

Cheryle Elmquist

Terry Lande

Damien Lawson

Bryan McConaughy

Edward Moydell

Rick Pedersen

Steve Walden

Rex Oliver, IOM
President/CEO

Chairman's Circle:

Platinum Members:

Treehouse Café

Bainbridge Island Brewing

Elmquist Real Estate Ser.

Harrison Medical Center

Kitsap Bank

Puget Sound Energy

Gold Members:

Town & Country Markets

Sears & Associates

HomeStreet Bank

September 15, 2016

To: Lodging Tax Advisory Committee
Re: North Kitsap Tourism Coalition

Committee Members,

The Chamber would like to offer support for The North Kitsap Tourism Coalition submission for LTAC funding during the 2017 budget cycle.

Mickey Molnaire, Chamber staff, is a board member of the NKTC and has been representing the Chamber as that organization works to provide an umbrella marketing program for all of North Kitsap County. Partnering with the NK communities has given the NKTC team strength in its decision making and in its marketing.

The LTAC funds will be put to good use in creating information to be included in the North Kitsap Peninsula web site. Articles, day trip itineraries, where to dine and feature videos are just some of the forms that information will be take.

We have seen the results of NKTC's hard work with the production of videos and the very successful Spirits and Spirits event held last fall. We look forward to this year's event.

Again we offer support for the application by the North Kitsap Tourism Coalition.

Respectfully,

Rex Oliver, IOM
President/CEO
Bainbridge Island Chamber of Commerce

"Creating a Strong, Sustainable Local Economy"

BAINBRIDGE ISLAND CHAMBER OF COMMERCE

395 Winslow Way East, Bainbridge Island, WA 98110 t. 206.842.3700 f. 206.842.3713 www.bainbridgechamber.com info@bainbridgechamber.com

ATTACHMENT B
INSURANCE REQUIREMENTS

A. Insurance Term

The Recipient shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Recipient, its agents, representatives, or employees.

B. No Limitation

The Recipient's maintenance of insurance as required by the Agreement shall not be construed to limit the liability of the Recipient to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available at law or in equity.

C. Minimum Scope of Insurance

The Recipient shall obtain insurance of the types and coverage described below:

1. Automobile Liability insurance covering all owned, non-owned, hired, and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage.
2. Commercial General Liability insurance shall be at least as broad as ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, stop-gap liability, independent contractors, and personal injury and advertising injury. The City shall be named as an additional insured under the Recipient's Commercial General Liability insurance policy with respect to the work performed for the City using an additional insured endorsement at least as broad as ISO CG 20 26.
3. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
4. Directors and Officers Liability insurance coverage.

D. Minimum Amounts of Insurance

The Recipient shall maintain the following insurance limits:

1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.
2. Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate.

3. Directors and Officers Liability insurance shall be written with limits no less than \$1,000,000 per claim and \$1,000,000 policy aggregate limit.

E. Other Insurance Provision

The Recipient's Automobile Liability and Commercial General Liability insurance policies are to contain, or be endorsed to contain, that they shall be primary insurance as respect the City. Any insurance, self-insurance, or self-insured pool coverage maintained by the City shall be excess of the Recipient's insurance and shall not contribute with it.

F. Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

G. Verification of Coverage

Before commencing work and services, the Recipient shall provide to the person identified in Section 9 of the Agreement a Certificate of Insurance evidencing the required insurance. The Recipient shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Recipient before commencement of the work. The City reserves the right to request and receive a certified copy of all required insurance policies.

H. Notice of Cancellation

The Recipient shall provide the City with written notice of any policy cancellation within two (2) business days of their receipt of such notice.

I. Failure to Maintain Insurance

Failure on the part of the Recipient to maintain the insurance as required shall constitute a material breach of contract, upon which the City may, after giving five (5) business days' notice to the Recipient to correct the breach, immediately terminate this Agreement or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the City on demand, or at the sole discretion of the City, offset against funds due the Recipient from the City.

J. City Full Availability of Recipient Limits

If the Recipient maintains higher insurance limits than the minimums shown above, the City shall be insured for the full available limits of Commercial General and Excess or Umbrella liability maintained by the Recipient, irrespective of whether such limits maintained by the Recipient are greater than those required by this Agreement or whether any certificate of insurance furnished to the City evidences limits of liability lower than those maintained by the Recipient.

AlaskaUSA[®] Insurance Brokers

November 7, 2016

Julie McAfee
North Kitsap Tourism Coalition
PO Box 85
Port Gamble, WA 98364

RE: Policy Type: Commercial Insurance
Policy Term: 12/19/2016 to 12/19/2017

Dear Julie McAfee:


We are pleased to enclose your commercial insurance policies, which have been renewed effective 12/19/2016 to 12/19/2017.

COVERAGE	POLICY NUMBER	CARRIER
General Liability	PHPK1569168	Philadelphia Insurance Companies
Directors & Officers	PSHD1193937	Philadelphia Insurance Companies

Please read your policies carefully, familiarizing yourself with the terms, conditions, limitations and exclusions.

If you have any questions, please let me know. Thank you, as always, for your valued business.

Sincerely,



Lynn Pritchett
Sr. Small Business Advisor

/clw



PHILADELPHIA
INSURANCE COMPANIES

A Member of the Tokio Marine Group

One Bala Plaza, Suite 100
Bala Cynwyd, Pennsylvania 19004
610.617.7900 Fax 610.617.7940
PIILY.com

Philadelphia Indemnity Insurance Company
COMMON POLICY DECLARATIONS

Policy Number: PHPK1569168

Named Insured and Mailing Address:

North Kitsap Tourism Coalition
PO Box 85
Port Gamble, WA 98364-0085

Producer: 5213

Alaska USA Insurance Brokers, LLC
PO Box 110699
Tacoma, WA 98411

Policy Period From: 12/19/2016 **To:** 12/19/2017

(253)534-7700

at 12:01 A.M. Standard Time at your mailing
address shown above.

Business Description: Chamber of Commerce

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS
POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS
INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

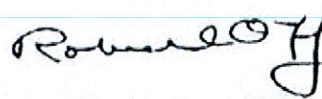
	PREMIUM
Commercial Property Coverage Part	
Commercial General Liability Coverage Part	171.00
Commercial Crime Coverage Part	
Commercial Inland Marine Coverage Part	
Commercial Auto Coverage Part	
Businessowners	
Workers Compensation	
Professional Liability	610.00
Total	\$ 781.00
Total Includes Federal Terrorism Risk Insurance Act Coverage	2.00

FORM (S) AND ENDORSEMENT (S) MADE A PART OF THIS POLICY AT THE TIME OF ISSUE
Refer To Forms Schedule

*Omits applicable Forms and Endorsements if shown in specific Coverage Part/Coverage Form Declarations

CPD- PIIC (06/14)


Secretary


President and CEO